

IN THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION

| IN RE: | § |
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| JAMES WELDON MADDOX | § CASE NO. 06-34754-h5-7 § Chapter 7 |
| Debtor | § § |
| RMCS, LLC, ALLEN HOM, Trustee And FARACRES, LLC, Plaintiffs, | § § § § |
| VS. | § ADVERSARY NO. 07-03207 |
| JAMES MADDOX, Debtor | § § § |
| Defendant. | § § |

AGREED ORDER OF COMPROMISE AND SETTLEMENT OF DISCHARGE UNDER 28 USC § 727(c) (d) & (e)

It appears from the signatures of counsel and the Debtor appearing below that the parties stipulate and agree as follows:

- 1. Plaintiff, RMCS, L.L.C., ALLEN HOM, TURSTEE and FARACRES, L.L.C. timely commenced this adversary proceeding objecting to the discharge of James Weldon Maddox (the "Debtors" or "Maddox"), under § 727 of the Bankruptcy Code.
 - 2. No other creditors or parties in interest joined in this Adversary proceeding.
- 3. Robin Russell, the Chapter 7 trustee in the Debtors' main bankruptcy case, is not opposed to the terms and conditions of this Order.

4. The parties have agreed to compromise and settle this adversary proceeding pursuant to the terms and conditions set forth below. Accordingly, the parties agree to the entry of this Agreed Order.

It is therefore stipulated and agreed as follows:

- a. Faracres, LLC it officers, directors and interest holders have not offered nor received any thing of value in exchange for this agreement;
- b. Faracres LLC it officers, Frank and Christine Faraci simply want to resolve this issues with Maddox and move on with their life and do not have sufficient funds to continue this litigation.
- c. The Plaintiff, Faracres, LLC including Mr. and Mrs. Faraci have not offered or received any thing of value in exchange for this agreement.
- d. Maddox shall pay Faracres, LLC the sum of \$25,000.00 cash within ten (10) days, execute and deliver and unsecured Promissory Note dated May 1, 2008, payable to Faracres, LLC in the amount of \$75,000.00, bearing interest at the rate of 6% due and payable in full over a period not to exceed 12 months or one (1) year (i.e. May 1, 2009); and
- e. Faracres, LLC shall have an "Agreed Non-Dischargeable Judgment" in the amount of \$400,000.00. Said judgment will not be abstracted, levied upon, etc. unless Maddox defaults on the terms of the Settlement Agreement as outlined above. If Maddox fails to pay the \$25,000.00 timely and pay the Promissory Note timely with in one (1) as outlined above then the Faracres, LLC may abstract, levied and use all legal means to collect the non-Dischargeable Judgment plus accrued interest.

Based upon the stipulations and conditions set forth above; it is therefore

ORDERED that James Weldon Maddox pay Faracres, LLC the sum of \$25,000.00 cash

within ten (10) days, execute and deliver an unsecured Promissory Note dated May 1, 2008, payable

to Faraces, LLC in the amount of \$75,000.00, bearing interest at the rate of 6% due and payable in

full over a period not to exceed 12 months or one (1) year (i.e. May 1, 2009); it is further

ORDERED that Faracres, LLC. shall have an agreed judgment against the Debtor in the

principal amount of \$400,000.00, which indebtedness is hereby declared to be nondischargeable

under Section 523(a) of the Bankruptcy Code; it is further

ORDERED that as along as the Settlement Agreement is in full compliance, the parties agree

that this Judgment will not be abstracted, levied upon; it is further

ORDERED that in the event of default and Maddox fail to comply with terms and conditions

of the Settlement Agreement and fails to timely pay the \$25,000.00 in accordance with the

Promissory Note, Faracres, LLC is free to abstract, levy and use any law means to collect this Agreed

Non-Dischargeable Judgment plus accrued interest at the Federal Rate; it is further

ORDERED that all parties shall bear their own costs in this adversary proceeding; and

ORDERED that when this Agreed Order becomes final, James Weldon Maddox's Discharge

shall be amended to reflect the terms and agreements of this Order.

June 26, 2008

United States Bankruptcy Judge

| Signed this day of | _, 2008 |
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| UNITED STATES BANKRUPTCY JUDGE | |
| KAREN R. BROWN | |
| AGREED TO BY: | |
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| 4 m w | |
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| | |
| JAMAS WELDON MADDOX, Debtor/Plaintiff | |
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